UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

Notice FLP-143

1910-A

For: State and County Offices

Creditworthiness Determinations

Approved by: Deputy Administrator, Farm Loan Programs

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1 Overview

A Background

FSA loan approval officials make determinations about acceptable credit history in direct programs according to FmHA Instruction 1910-A, section 1910.5(c).

B Purpose

This notice provides additional guidance for determining creditworthiness for direct loans.

C Contact

If there are questions about this notice:

- County Offices shall contact State Offices
- State Offices shall contact LMD at 202-720-1632.

Disposal Date	Distribution
January 1, 2002	State Offices; State Offices relay to County Offices

2 Action

A Determining Creditworthiness

In addition to the creditworthiness determinations, according to FmHA Instruction 1910-A, section 1910.5(c), if any of the following applies, applicants may be determined **not** creditworthy if they:

- deliberately falsify information, including past dealings with the Agency
- intentionally omit information relevant to the loan decision
- do **not** make every reasonable effort to meet the conditions and terms of the proposed loan.

Individuals who deliberately falsify information may also be subject to criminal prosecution and should be referred to OIG.

B Approving Official

If the applicant has an unacceptable credit history, the loan approval official shall:

- deny the loan on the basis of a lack of creditworthiness (7 CFR 1910.5)
- provide the applicant with appeal rights
- thoroughly document the rationale for the decision in the file
- include specific reasons for the adverse decision:
  - on FmHA 440-2
  - in the Notification of Eligibility/Ineligibility sent to the applicant.